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CHURCH OF SCIENTOLOGY INTERNATIONAL

ORIGINAL FILED

MAR 7 1996

KEENAN G. CASADY, Clerk  
U.S. BANKRUPTCY COURT-SANTA ROSA

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

In re

GERALD ARMSTRONG,

Debtor.

CHURCH OF SCIENTOLOGY INTERNATIONAL,  
a California non-profit religious  
corporation,

Plaintiff,

v.

GERALD ARMSTRONG,

Defendant.

Case No. 95 10911 aj  
Chapter 7

Adv. Pro. No. 95 1164

JUDGMENT AFTER ADVERSARY PROCEEDING TRIAL

The adversary proceeding between Plaintiff Church of  
Scientology International (the "Church") and Defendant, Debtor,  
Gerald Armstrong ("Armstrong") came on before the Court on February  
13, 1996. After trial on this matter and consistent with the  
Memorandum of Decision filed on February 15, 1996 and attached

MAR 12 1996

1 hereto as Exhibit A and for good cause appearing, it is hereby  
2 ordered:

3 1. The Church did not meet its burden of proof in connection  
4 with its claim that Armstrong should not be granted a discharge  
5 because Armstrong failed to explain the disposition of the  
6 settlement proceeds and because he failed to schedule the Gerald  
7 Armstrong corporation as an asset.

8 2. Armstrong's prepetition breach of contract which resulted  
9 in a state court judgment in the amount of \$300,000 in liquidated  
10 damages is fully dischargeable;

11 3. The state court judgment of a permanent injunction against  
12 Armstrong survives Armstrong's bankruptcy and remains fully  
13 enforceable;

14 4. Any postpetition violation of the permanent injunction by  
15 Armstrong may be enforced by the state court pursuant to its  
16 contempt powers, without violating Armstrong's bankruptcy discharge;  
17 and

18 5. Each party shall bear its own attorney's fees and costs in  
19 connection with the adversary proceeding.

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21 Dated: MAR 7 1996

ALAN JAROSLOVSKY  
U.S. BANKRUPTCY JUDGE

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